

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 10244 231113Z

17

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06

ACDA-05 AID-05 EB-07 FRB-03 XMB-02 OPIC-03 CIEP-01

LAB-04 SIL-01 OMB-01 STR-04 CEA-01 SAJ-01 (ISO) W

----- 037206

R 230959Z JUL 75

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 2487

INFO USTREASURY WASHDC

USDOC WASHDC

USMISSION NATO

AMCONSUL LENINGRAD

LIMITED OFFICIAL USE MOSCOW 10244

USDOC FOR BEWT/DOWNEY AND TDAD

E.O. 11652 N/A

TAGS: ETRD, UR

SUBJ: US-SOVIET TRADE OUTLOOK

REF: (A) MOSCOW 10158; (B) MOSCOW 8774

1. TASS DAILY VESTNIK SEIZES OCCASION OF RATHER ROUTING JULY 22 CALL ON FOREIGN TRADE MINISTER PATOLICHEV BY PRESIDENT HAROLD SCOTT OF US-USSR TRADE AND ECONOMIC COUNCIL TO REPEAT CURRENT KREMLIN LINE OF US-SOVIET TRADE. IN THE WAKE OF CODEL HUMPHREY-SCOTT'S DISCUSSIONS IN MOSCOW AND PUBLISHED STATEMENTS BY SENATORS ON THEIR RETURN FROM USSR BILATERAL TRADE ISSUES SEEM TO BE VLOOMING LARGER AS TOPICS FOR ANALYSIS IN SOVIET MEDIA, AND PUBLIC PRONOUNCEMENTS ON US-SOVIET COMMERICAL PROSPECTS HAVE TAKEN ON A ROSIER HUE. JULY 22 ARTICLE SUMMARIZES CURRENT SITUATION AS FOLLOWS:

2. QTE: AS A RESULT OF SOVIET AMERICAN SUMMIT MEETINGS IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 10244 231113Z

1972-1974, AS BUSINESS CIRCLES IN THE USSR HAVE NOTED, A FAVOR-

ABLE ATMOSPHERE FOR THE DEVELOPMENT OF MUTUALLY ADVANTAGEOUS TRADE/ECONOMIC COOPERATION BEGAN TO COME ABOUT. WE NOTE THAT DURING THIS TIME AGREEMENTS WERE SIGNED CONCERNING TRADE, SETTLEMENT OF LEND-LEASE, MEASURES FOR THE FINANCING OF TRADE, SEVERAL MERCHANT SHIPPING QUESTIONS, A CONVENTION ON QUESTIONS OF TAXATION AND A LONG-TERM AGREEMENT ON ECONOMIC, INDUSTRIAL AND TECHNOLOGICAL COOPERATION.

AT THE SAME TIME STEPS WERE TAKEN FOR CREATION OF A MECHANISM TO FACILITATE THE REALIZATION AND DEVELOPMENT OF TRADE: AN INTERGOVERNMENTAL COMMISSION ON TRADE QUESTIONS WAS ESTABLISHED, IN WASHINGTON A TRADE REPRESENTATION OF THE USSR WAS OPENED, AND IN MOSCOW A US COMMERCIAL OFFICE. AT THE INITIATIVE OF ORGANIZATIONS AND FIRMS OF BOTH COUNTRIES THE US-USSR TRADE AND ECONOMIC COUNCIL WAS FOUNDED.

IN 1974 THE TRADE TURNOVER BETWEEN THE USSR AND USA REACHED 742 MILLION RUBLES AS COMPARED WITH 184 MILLION RUBLES IN 1971. HOWEVER, THE US SHARE IN SOVIET FOREIGN TRADE IS AS BEFORE MINOR, BUT NIKOLAY PATOLICHEV CONSIDERS THAT IT COULD BE SIGNIFICANTLY GREATER. THE PRESENCE OF HIGHLY DEVELOPED INDUSTRY AND ABUNDANT NATURAL RESOURCES IN THE USSR AND THE USA COULD FORM A BASIS FOR A SIGNIFICANT INCREASE IN BILATERAL TRADE. COOPERATION IN THE FIELD OF LARGE-SCALE PROJECTS, AMONG THEM (SOME) ON A COMPENSATORY BASIS, OPENS BROAD PERSPECTIVES. IT IS NOTED IN SOVIET BUSINESS CIRCLES THAT THE EXECUTION OF SUCH PROJECTS WOULD ENABLE AMERICAN FIRMS TO BRING INTO THE SOVIET UNION MASSIVE QUANTITIES OF EQUIPMENT FOR THE CONSTRUCTION OF ENTERPRISES IN THE EXTRACTIVE AND REFINING SECTOR WITH PAYMENT FROM THE OUTPUT OF THESE ENTERPRISES. AS A POSITIVE EXAMPLE THEY CITE THE AGREEMENT BETWEEN SOVIET ORGANIZATIONS AND THE AMERICAN FIRM, OCCIDENTAL PETROLEUM, FOR JOINT ACTIVITY IN THE CONSTRUCTION IN USSR OF A MASSIVE CHEMICAL COMPLEX FOR THE PRODUCTION OF FERTILIZER AND FOR CORRESPONDING SHIPMENTS OF A SERIES OF CHEMICAL PRODUCTS OVER A TWENTY YEAR PERIOD. THE SOVIET UNION VIEWS DEVELOPMENT OF COMMERCIAL-ECONOMIC TIES WITH THE USA ON AN EQUAL, NON-DISCRIMINATORY BASIS AS AN IMPORTANT ELEMENT IN THE EFFORT TO IMPROVE SOVIET-AMERICAN RELATIONS AS A WHOLE. IN THIS CONNECTION THE GOVERNMENT OF THE USSR DID NOT DEEM IT POSSIBLE TO BRING THE 1972 TRADE AGREEMENT INTO FORCE ON THE CONDITIONS PROVIDED IN THE DISCRIMINATORY LAW PASSED BY THE US CONGRESS.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 MOSCOW 10244 231113Z

WITHIN USSR BUSINESS CIRCLES THERE IS UNDERSTANDING (SPONIMANIE OTNOSYATSYA) FOR THE EFFORT OF PRESIDENT FORD'S ADMINISTRATION TO ACHIEVE NORMALIZATION OF TRADE-ECONOMIC RELATIONS WITH THE SOVIET UNION. SENATOR HUGH SCOTT, WHO VISITED MOSCOW RECENTLY AT THE HEAD OF A DELEGATION FROM THE US SENATE, EXPRESSED THE CONVICTION THAT THE CONGRESS WILL UNDERTAKE STEPS DIRECTED TOWARD A REVIEW OF THE DISCRIMINATORY CONDITIONS FOR TRADE.

HAROLD SCOTT ALSO VIEWS OPTIMISTICALLY THE PROSPECTS FOR DEVELOPMENT OF COMMERCIAL COOPERATION WITH THE SOVIET UNION. HE EMPHASIZES THAT THE TASK OF THE US-USSR TRADE AND ECONOMIC COUNCIL (REPRESENTATIVES OF INDUSTRIAL, FINANCIAL AND TRADE CIRCLES OF THE TWO COUNTRIES BELONG TO IT) -- IS TO HASTEN THE GROWTH OF ECONOMIC COOPERATION BETWEEN THE USA AND THE USSR ON A BROAD SCALE. UNQTE

3. COMMENT: NOTABLE PARTICULARLY ARE ABSENCE OF CUSTOMARY INVECTIVE AGAINST ENEMIES OF DETENTE AND RETURN TO TONE OF SWEET REASONABLENESS PREVAILING LAST YEAR BEFORE CONGRESSIONAL DEBATE ON TRADE ACT FOCUSED CLOSELY ON BEHAVIOR OF SOVIET UNION. WHILE VESTNIK ITEMS ARE NORMALLY FREE OF EXAGGERATED POLEMIC (PUBLICATION IS LIMITED DISTRIBUTION SUBSCRIPTION NEWSLETTER INTENDED FOR SPECIALIZED AND PRESUMABLY SOPHISTICATED AUDIENCE), THIS ARTICLE TAKEN TOGETHER WITH OTHER RECENT PUBLISHED SOVIET COMMENTARIES ON US-SOVIET TRADE SUGGESTS RISING SOVIET HOPE FOR AMENDMENTS TO TRADE ACT DURING CURRENT CONGRESSIONAL SESSION AS WELL AS SOVIET CONCERN THAT UNGUARDED COMMENTS MAY PREJUDICE REALIZATION OF THIS HOPE.

STOESSEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PRESS COMMENTS, TRADE VISITS
Control Number: n/a
Copy: SINGLE
Draft Date: 23 JUL 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975MOSCOW10244
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750254-0542
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750729/aaaabakf.tel
Line Count: 137
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 MOSCOW 10158, 75 MOSCOW 8774
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 11 JUN 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <11 JUN 2003 by CunninFX>; APPROVED <27 OCT 2003 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: US-SOVIET TRADE OUTLOOK
TAGS: ETRD, UR, US, (PATOLICHEV, NIKOLAY), (SCOTT, HAROLD)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006